

# MILITARY CAPABILITIES AND READINESS

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Military Capabilities and Readiness... **HEARING**

BEFORE THE

SUBCOMMITTEE ON  
READINESS

OF THE

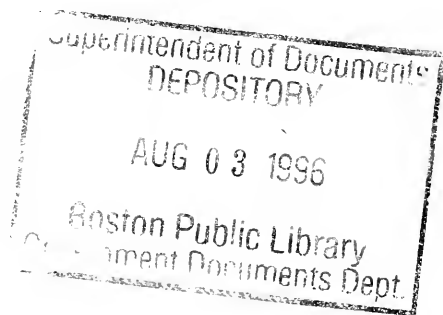
COMMITTEE ON ARMED SERVICES  
UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

MARCH 21, 1995

Printed for the use of the Committee on Armed Services



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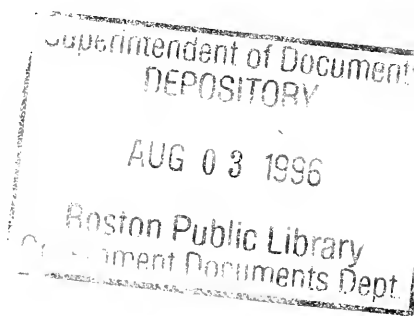
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# MILITARY CAPABILITIES AND READINESS

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TUESDAY, MARCH 21, 1995

U.S. SENATE,  
SUBCOMMITTEE ON READINESS,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:30 p.m. in room SR-232A, Russell Senate Office Building, Senator John McCain (chairman of the subcommittee) presiding.

Committee members present: Senators McCain, Nunn, Glenn, and Robb.

Committee staff members present: Richard L. Reynard, staff director; George W. Lauffer, deputy staff director; and Christine K. Cimko, press secretary.

Professional staff members present: Thomas G. Moore, Joseph G. Pallone, and Eric H. Thoemmes.

Minority staff members present: Arnold L. Punaro, minority staff director; Andrew S. Effron, minority counsel; Christine E. Cowart, special assistant; Frank Norton and Julie K. Rief, professional staff members.

Staff assistant present: Shelley G. Lauffer.

Committee members' assistants present: Ann E. Sauer, assistant to Senator McCain; Samuel D. Adcock, assistant to Senator Lott; Richard F. Schwab, assistant to Senator Coats; Glen E. Tait, assistant to Senator Kempthorne; Patricia L. Stolnacker, assistant to Senator Santorum; Suzanne M. McKenna and John P. Stevens, assistants to Senator Glenn; and William Owens, assistant to Senator Robb.

## OPENING STATEMENT OF SENATOR JOHN MCCAIN, CHAIRMAN

Senator MCCAIN. I would like to welcome General Gray, Admiral Trost, and General RisCassi as the first panel of witnesses before the Readiness Subcommittee this year. I am sorry General Gabriel was unable to be here today.

Senator Glenn and I plan to conduct a series of hearings over the next 2 months which will look at broad readiness issues throughout the Future Years Defense Program. Our hearing today is the first in that series.

The document prepared by our distinguished panel, "A Report on Military Capabilities and Readiness", is a culmination of a year-long effort undertaken at my request. I thank you all for the personal time you have devoted to this project. It is an excellent testimony to the continued dedication of our highest ranking retired military officers to the future security of our Nation.

The report before the subcommittee provides an excellent basis for our review of near and mid- and long-term readiness issues. This report illustrates the Hobson's choice we now face, whether to fund readiness today at the expense of future modernization or vice versa.

The authors also illustrate the inadequacies of the planned Bottom-Up Review force to meet the requirements of a two-MRC scenario. Not only is the current defense budget inadequate to fund the plan force, the plan force is insufficient to meet the postulated threat.

Clearly, our first task must be to stabilize our forces today. We must provide adequate training, support, and maintenance to ensure near-term readiness. We must provide for an appropriate quality of life for our military personnel and their families and we must fund future modernization to enhance the capabilities of our smaller force.

It is apparent from this report that the Clinton administration's defense budget does not provide adequate funds to ensure both readiness and modernization. The Congress will soon consider a budget resolution for fiscal year 1996. The Republican members of the Armed Services Committee remain committed to seeking an increase above the President's budget request of approximately \$12 billion in 1996 to a level equivalent to this year's budget, adjusted for inflation.

We must also make the most of every dollar in the defense budget, which means re-prioritizing defense spending. We must cut back on lower priority programs, those which bear little or no relation to military capability, and we must exercise discipline in our own budget with you and eliminate congressional pork-barrel spending.

This is what is required, a cooperative effort to restore an adequate defense budget to acknowledge and redress existing shortfalls and to begin the process of rebuilding the capabilities of our existing forces to meet anticipated threats.

Admiral Trost, General Gray, and General RisCassi, we welcome your testimony as we start this difficult process and I would like to make note, and I believe that our witnesses have, that yesterday, the House National Security Committee decided that they would take a position and the Republicans in the House are now taking a position to level fund for the next 5 years.

I know that your report was made available and a hearing was held on the House side and I am told that your effort and your testimony did have an impact on the deliberations of the House as far as defense funding is concerned.

As you know, Senator Warner and I recommended a level funding for this year, at least until we could get the kind of information that you have provided us and make the kinds of decisions that are necessary. I believe a 5-year level funding with the emphasis on the deficit problem and the zeal to cut taxes is probably about the best we could expect and if we could hold that, I would be extremely happy.

I would like to say for the record that I have had the privilege of knowing all three of our witnesses, Senator Glenn, as I know you have, for many years. These are three individuals—and I include General Gabriel, who is not with us today, I might say, Senator



Glenn—as people I have held in the highest esteem. They have been role models to me in many respects and one of the reasons why we live in a much safer world today than we did when they were in positions of command and responsibility is because of their enormous contributions to the security of this country.

I am grateful not only for having known them but for the opportunity to continue this relationship that is a mutual commitment to the future security of our Nation.

I would like to ask Senator Glenn if he would like to make an opening statement and we will proceed in whatever fashion the witnesses would like to.

Senator GLENN. Mr. Chairman, thank you very much. I think this hearing is an important one to draw on the experience of people who have had a chance, maybe after their normal careers, to sort of sit back a little bit, at least, and look at some of these things from a detached viewpoint rather than being involved on a day-in, day-out basis.

I have gone through the report and I agree with many of the conclusions you reach. I have been talking for the last couple of years about the fact that I think maybe we are going too far too fast in our cuts.

I wanted to level it at about the 1.6 million level and to see how things worked out for a couple of years and then see if we could ease on down, but we are going right on down to that 1.425 million level and we will be down to within 20,000 or 21,000 of that by the end of this year.

You raise some of the same issues in your report when you call for two more active Army divisions, 13 deployable carriers, 25 fighter wings, and a Marine Corps of 194,000 instead of the 174,000 that we are approaching now.

We have been concerned about near-term readiness issues. We have had to defer some depot maintenance and cancel some training to pay unplanned contingency operations.

Your report also identifies shortfalls in strategic lift and ammunition, ballistic missile defenses funding, procurement, and in research and development funding.

Now, there is a big problem here, though, where the money comes from. That is what we are up against on the budget and with the offsets we would have to have, I don't know where that would come from. Much as I may agree with your force structure, we have some very major problems here on the Hill also, so I am glad we have a chance to talk about some of this today.

There have been suggestions that Congress will add money to the defense budget, as the chairman just mentioned, or freeze the budget at current levels over the 5-year program. There is also the ongoing debate between the deficit hawks and the defense hawks, a debate which would essentially change what the administration hoped would be an emergency supplemental request into a reprogramming, that at least in the Senate version gives the Defense Department \$1.9 billion with one hand, but as I see it, cuts \$1.9 billion out of the fiscal year 1995 budget with the other.

So, I am not sure where we go. I would favor a lot of the things you favor. I am not quite sure where the money is coming from to pay for it and that is the dilemma that we face here right now.

But we have to establish priorities. There are a lot of questions that we will have on some of these areas as to what priorities you see as to which things are most important, whether it is O&M funds or training funds or depot maintenance. We are beginning to get a backlog on equipment.

Even the Marine Corps, General Gray, has more of a backlog now than we have ever had and I believe and it is small compared to the other services, but the Marine Corps traditionally has not had a backlog in depot maintenance, maybe 1, 2, 5 percent, once in a while. I think we are at 15 or 18 percent backlogged now and that looks good, except the Marine Corps is supposed to be a ready force. You are not supposed to have backlogs. So, we are into some situations here that are not very good and we cannot just put them off forever.

Those are the things I will be asking some questions about later on. I appreciate your being here today.

Senator MCCAIN. Thank you, Mr. Chairman. Since this is the first hearing of the Readiness Subcommittee, I would like to state the obvious, and that is that Senator Glenn and I have had a close working relationship for now going on 9 years.

He and I have served as chairman and ranking member of different subcommittees, respectively, and I intend to continue the spirit of bipartisanship and friendship that has characterized his conduct in the committees that I have had the pleasure of serving with him and I intend to, as Senator Glenn wishes, to have him chair committee hearings as is his desire and work in a true bipartisan basis.

I note with interest and I am sure that Admiral Trost and General Gray can appreciate the Navy-Marine Corps team, which although it does not always agree, finds it incumbent upon themselves to work together, so I thank my friend, Senator Glenn, again, for his continued friendship and partnership.

Senator NUNN, do you have an opening statement?

Senator NUNN. No, thank you, Mr. Chairman. I am just glad to be here and I appreciate the work that has been done on this report. I think it will be very helpful to us and I know one of the conclusions is certainly something that I strongly endorse and that is the modernization program is just not going to do the job and I hope that we can find ways to enhance modernization because if you look at it in the long-term, that is readiness, it is just in the years ahead.

So, I think this will be a very helpful report and I appreciate the work that has been done on it.

Senator GLENN. Mr. Chairman, I would ask unanimous consent for my entire statement be included in the record.

Senator MCCAIN. Without objection.

[The prepared statement of Senator Glenn follows:]

#### PREPARED STATEMENT BY SENATOR JOHN GLENN

Thank you, Mr. Chairman. Let me begin by saying that I think this hearing is an important one and I'm pleased the subcommittee is focusing on big picture issues as we begin our hearings on the fiscal year 1996 budget request.

The witnesses today all have impressive records and can speak with a great deal of authority on the state of our military capabilities and readiness.

I have reviewed your report and I have to say that I am inclined to agree with many of the conclusions you reach in your report. I have long been concerned about the magnitude of the cuts we are making in our force structure. I'm afraid that we may be cutting too far, too fast.

We've just about completed bringing our Active duty end strength down from 1.6 million, which I thought was a good figure—we're bringing it down to 1.45 million. I believe we will have achieved all but about 18,000 of those reductions by the end of fiscal year 1996.

Gentlemen, you raise this same issue in your report when you call for two more Active Army Divisions, 13 deployable carriers (vice the Bottom-Up Review's 11 deployable carriers), 25 fighter wing equivalents (vice the Bottom-Up Review's 20 fighter wing equivalents), and a Marine Corps Active end strength of 194,000 (vice the Bottom-Up Review's 174,000).

Your report also highlights problems in what you call "near term readiness" where we have had to defer depot maintenance or cancel training to pay for unplanned contingency operations.

Your report also identifies shortfalls (\$34 billion (-) inflation) in strategic lift, in ammunition, in ballistic missile defenses and in procurement and research and development funding.

I look forward to your testimony on these issues. I am also interested in hearing your thoughts on how much money it will take to implement some of your recommendations. For example, on the force structure issue, I'm told that bringing the forces back to the level I'm comfortable with, which is roughly what you argue for, would require a budget topline increase somewhere in the neighborhood of \$10 billion a year once all those additional forces were on board.

There have been suggestions that Congress will add money to the defense budget or freeze the budget at current levels over the 5 year program. But there is also the ongoing debate between the "deficit hawks" and the "defense hawks."

And it is that debate which essentially changed what the administration hoped would be an emergency supplemental request into a reprogramming that, at least in the Senate version, gives the Defense Department \$1.9 billion with one hand and cuts \$1.9 billion out of the fiscal year 1995 budget with the other.

So, I'm not sure whether increased funding is really going to materialize or whether we could implement all of the recommendations of your report even with those increases.

Consequently, I look forward to your testimony on what, in your view, our priorities should be in a still constrained budget environment.

Thank you, Mr. Chairman.

Senator MCCAIN. Not to delay the hearing any further but I think Senator Nunn raises, and what the witnesses are going to talk about, a fundamental problem here.

I think, with the benefit of 20-20 hindsight in the 1970s we went "hollow" as far as readiness is concerned but we did proceed with modernization and we did, I think, provide the military with the equipment that they needed for the eighties and nineties.

Now, it seems that an argument can be made that we are not going to neglect readiness, at least to a large degree, but there is very little modernization and I hope from our witnesses we can perhaps get some kind of formula or guidance as to how we can address this dilemma as I see it.

Admiral Trost, please proceed.

#### STATEMENT OF ADM. CARLISLE A.H. TROST, U.S.N. (RET.)

Admiral TROST. I will be your lead-off, Mr. Chairman. As you noted, Senator McCain, you asked us, along with General Gabriel, a year ago to prepare a report which would assess the capabilities and the readiness of our military forces based on the Bottom-Up Review proposed force structure.

I should note for the record that the Bottom-Up Review was conducted in 1993 as a means of assessing military requirements and

the necessary military force structure to meet those requirements in a constrained budgetary environment.

I would also like to note that the Bottom-Up Review force was presented as a moderate risk force to be enhanced by adequate strategic lift funding, force modernization, full funding for readiness and sustained quality of life programs for our very important element, our personnel.

Specifically, you asked us to look at the ability of the Bottom-Up Review force to meet that review's stated two major regional conflict objectives, those conflicts occurring either simultaneously or near simultaneously.

You also asked that we look at current force readiness and readiness trends and that we note any significant deficiencies that might imperil the success of a major military operation.

I would like to begin the testimony with a brief summary of our findings and also acknowledge Senator Glenn's comments. In carrying out our review, we were very conscious of the shortfalls in budgeting to fix some of the problems we identified but we also felt that our effort would be incomplete if we did not identify what we thought was the right level or the areas that should be fixed.

To summarize our findings, we found, first of all, that the current defense budget is insufficient to fund the projected defense program as already noted. Those shortfall estimates vary from the \$49 billion from OMB to the \$150 billion figure that the GAO has put forth this past year.

The impact of those shortfalls is a continuing decline in force structure and in force preparedness for the future. We noted that the readiness levels of most, and I emphasize "most," forward-deployed forces have been maintained but only at the expense of our military infrastructure, modernization programs, and the readiness of non-deployed forces.

We have all seen, especially during the fourth quarter of last year, stand-downs of returning forward-deployed forces in order to free up funding to meet the needs for those who were forward-deployed.

We have seen cannibalization of equipment in the hands of those not forward-deployed. We have seen deterioration of the infrastructure which is necessary to support our military forces. We have also seen that unprogrammed operations, such as those in Somalia, Bosnia, Haiti, and other areas, continue to be funded out of the service's already inadequate budgets.

This has resulted in the cancellation of scheduled training, the deferral of real property maintenance, growing equipment maintenance backlogs, postponement of quality-of-life investments, which are so essential to personnel readiness, and perhaps most troubling, the continued deferral of modernization programs.

I would note that the amounts are considerable. Somalia is estimated to have cost us \$1.2 billion, mostly paid out of the Operations and Maintenance budgets of the services. Haiti was \$1 billion during its first year.

In 1994, there was a supplemental appropriation of \$1.15 billion to defray the costs, or the impact, of the O&M hits that were taken by our forces. But of that amount, only \$300 million actually reached the military forces and the balance was rescinded.

Substantial amounts of money, primarily from these O&M accounts, continue to be diverted to activities that contribute little or nothing to readiness. They make the defense budget appear to be more substantive than it really is. Some of the examples in fiscal year 1994, for example, included \$13 billion worth of funding for enterprises that have very little to do with enhancing defense readiness.

These included items such as environmental restoration, drug interdiction, Olympic security, breast cancer research, AIDS research, university set-aside contracts, and others which we all know to be important but which nonetheless are a drain on our operational forces.

The fact is that the quality of life for many of our service personnel is declining. This results from caps on military pay, proposals to under-fund military pay, housing maintenance not being carried out resulting in deteriorating facilities, recreation facilities on our bases being constantly under fire, and an increase in the workload as fewer forces are stretched to do more.

Recruiting concerns are also growing for each of our services. They are the result of fewer available personnel in the age groups from which we recruit. That is a pure demographic fact. There is a decreased propensity on the part of our youth to join the military and serve. There is competition from a very healthy economy and there has been a marked reduction in the assets available to the services to carry out their recruiting efforts.

Force modernization through the procurement of equipment upgrades and new equipment has come to a virtual standstill as already noted. We currently have the lowest levels of procurement spending in inflation-adjusted dollars and in procurement rates since the end of World War II.

We should heed the quotation attributed to General Shalikashvili, that modernization is tomorrow's readiness. Clearly, without it, you do not have readiness in the future.

We also have to note that the viability of our industrial base is being undermined by the unprecedented low levels of procurement and the projected reductions in the R&D accounts. It is important, I think, that there is a lot of hue and cry about the industrial base.

What we are looking at are those unique items of the industrial base which contribute to military readiness and have no civilian or commercial customer for the goods, therefore, no other business. In particular, it refers to items like ship construction, ammunition procurement, tanks, other types of requirements that are military-unique. There is not time to reconfigure and gear up after an emergency is upon us.

The force structure proposed in the Bottom-Up Review for each of our services is inadequate, in our view, to meet the Bottom-Up Review objective of two nearly simultaneous major contingencies.

The areas that are overlooked in the review are the fact that we need a rotation base for forces which are stationed forward or forward-deployed for presence or other peacetime contingencies.

Some forward-deployed units, likewise, are not available for new crises. For example, we would not redeploy the Army division in Korea or one of the two in Europe at the present time to meet some other requirement.

Current force levels are strained to meet current demands of peacetime operations and contingencies which we have seen over the last several years. And there is the unpredictability of the access for either training or mobilization to our Reserve contingents.

Finally, we identify two deficiencies which we believe could impair the success of a major military operation. They are inadequate strategic lift and our limited ability to defend against ballistic missile or cruise missile attacks. We would be strained today to meet the requirements of even one major regional conflict.

It is increasingly important, as we draw forces which were forward-deployed back to this country, that we have the capability to rapidly redeploy them if our national interests demand.

Each of these issues is addressed in detail in our report. We will be pleased to elaborate on them as you wish. It is natural to ask, how things could have deteriorated so much when just 4 years ago, we executed one of the most successful large-scale military operations in history during Desert Storm. The answer, as you all well know, is simple.

This decline in defense spending did not begin in 1991 or 1992. It began in 1986. We are approaching in the fiscal year 1996 budget the 11th consecutive year of declining defense budgets with three more expected to follow.

Not until the year 2000, according to the current administration plan, will the defense budget stop its decline and begin to realize any real growth. It is true that we have reduced our force structure in response to the collapse of the Soviet Union, and well we should. The problem is that the decline in the overall defense budget has far outpaced the reductions in force structure and as a result, virtually all aspects of force readiness have already been adversely affected.

Mr. Chairman, we are not here to say or to tell you that the sky is falling because it certainly is not. Our country still has the best manned, best equipped, best trained, and best led military in the world. Today, our forces are more than a match for any potential adversary.

We are, nonetheless, concerned about what we recognize as a decline in current readiness and we are particularly concerned about our future readiness. We cannot expect to maintain our current levels of defense capabilities in readiness with steadily declining budgets. It just cannot be done. We are unquestionably putting our future military posture at risk.

Mr. Chairman, the three of us, and General Gabriel, remember well the hollow force experience of the late 1970s. The reasons might be somewhat different, but it is our hope that we can avoid a return to these conditions. Quite frankly, as we strive to avoid making the mistakes of the seventies, we seem, instead, to be making new ones which may have consequences far more damaging than those we are trying to avoid.

I would like now to turn over the conversation to General Gray unless you have questions of me, sir.

Senator McCain. Thank you Admiral.

## STATEMENT OF GEN. ALFRED M. GRAY, U.S.M.C. (RET.)

General GRAY. Mr. Chairman, Senator Glenn, let me just throw in our deep appreciation for your continued efforts with respect to the readiness of our warfighting military. I have to say, too, in view of your opening comment, that the Marines have long been about 80 percent of the Navy and so I appreciate the chance to—[Laughter.]

Admiral TROST. At least the Navy budget requirement. [Laughter.]

General GRAY. We tried to do a very comprehensive and in-depth analysis in this study, at your request. We went far beyond the traditional idea of readiness in looking at C—ratings. The idea of looking at readiness and resources and training systems, and the like, serves no useful purpose in the mid- and long-term. It has some purpose in the short-term, but even then, it is an historical document.

When one looks at the requirements for readiness in the midterm and the long-term, one has to look at a great many factors besides the C-ratings readiness. So, we did that. We looked at these operations other than war, which has gotten a lot of discussion of late.

This, of course, is relatively easy for marines and sailors of the amphibious forces to think about because we have been doing that our whole adult life and for many years throughout history. But it is somewhat of a change for most of the Army and most of the Air Force.

Here, you are beginning to see the impact in terms of using these forces for the operations other than war. Within that construct, we looked at operational tempo and we looked at personnel tempo. These are two very important factors when one thinks about readiness, particularly people readiness, and we underline that because people remain our most precious resource. It is the wonderful young men and women who serve in our Armed Forces today, whether soldiers, sailors, airmen, coast guardsmen or marines, they remain the most important part of our capability.

So, operational tempo, personal tempo, many deployments away from home—far more than our standards—are the things that begin to eat away at even short-term personnel readiness and when you take that and add to it a 12 percent deficit or difference in military pay as opposed to civilian pay, one begins to see that our people are very concerned.

They are concerned with this uncertainty that exists today. They are concerned about the lack of stability in the force. They are concerned about their opportunities. They are concerned about food stamps. I find it unconscionable that in 1992, we had 19,000 warriors on food stamps. I find it disgraceful that that figure is 56,000 today.

So, people are a very important part of that and we looked at that and we looked at short-term readiness, near-term readiness and far-term readiness. We also looked at procurement, the investment counts, the R&D accounts and we tried to come up with a more comprehensive view of the situation because we believe firmly that as drastic and as devastating as the hollow force of the 1970s came to be, that was primarily because of a rape and pillage of the personnel accounts and the O&M accounts. So, it was short-term.

In the 1980s when the pendulum swung, it was fixable. We fixed it by taking better care of our people, by raising the quality standards in recruiting and by putting emphasis on Operations and Maintenance and because in the 1970s, again, as bad as it was, we had a fairly modest modernization program that was kept intact. We kept intact a viable research and development effort, as you will recall.

Above all, we kept intact sustainment, logistic sustainment, which is a crucial part of long-term readiness and ability to do what must be done.

We underscore this in the report because we see a different kind of hollow force emerging today. We see one that has the short-term indicators that we are used to and that we do not want to go through again after our experience of the 1970s. I for one can recall in 1976 making a radical change to an amphibious assault operations plan in central Norway before all of NATO and the King of Norway and that change had to come about at the 11th hour because one of our ships with my primary assault force was being towed across the Atlantic. We do not want that. We do not need that. But it is the mid-term and the long-term that we focused on in our report after looking at all of this.

We have already mentioned that we believe the force structure is inadequate for two nearly simultaneous MRC-type commitments. We looked at the structure very carefully, but our next point here would be that it is not the force structure that we recommend you focus your attention on. Indeed, we believe you should stabilize that force structure as soon as you can and take out the uncertainty for our people and take out the uncertainty for our commanders and take out the uncertainty for our recruiters.

You are well aware that we are having difficulty recruiting and those recruiting difficulties will mount. Not only are we having difficulty today, but if you look at the accession requirements of 1996, 1997 and 1998, it is going to be far more in terms of requirements against an ever smaller growing, if you will, an ever smaller pool of people that have the propensity to enlist.

We look at these studies—and we have for many years, as you know—and the pool now for people that are considered to have the propensity to serve their nation is down around 18 million, or will be, and that is a marked decrease.

So, the pool, or the opportunity, is getting smaller. The number of requirements are going to go up and yet, we must, in my judgment, maintain those high standards of professionalism and quality. We must not go down in quality accessions. We have already gone from about 99 percent high school recruitment and graduates and the like, in my last year of active duty, down to about 92.

Sometimes I am asked what is important about high school graduates. They are not as smart as some that have it. It is not the intelligence quotient, it is the fact that they have come from a good family or responsible guardians and they have stuck it out and they have got the basic ingredient to be a warrior, to assume essential responsibility and, therefore, discipline, and it is disciplined people that do what must be done. The definition of a disciplined person is simply a person who does what must be done, and a unit that does what must be done.



So, we want to stabilize the force, and more importantly, look at modernization. That is the key. We are quite candidly eating our seed corn and we are headed for a train wreck, in my judgment, by 1998. You simply will not be able to fix the hollow force in a method that you used in 1980 and beyond.

It is going to take a decade or more if you stabilize it today. You simply cannot pay for short-term readiness in the investment accounts and expect to miss the huge bow wave that is coming at us. In the long term, we simply have to have the right kind of research and development and the right kind of balance.

We believe that we are out of balance. The pillars of readiness that we all grew up with—operational readiness and personnel readiness and logistics readiness and training readiness and modernization—are in our view, out of whack.

That is not to say that you should balance them overnight with a level expenditure. No, in my judgment, we need a very thoughtful campaign plan that takes us out over the next 5 to 10 years to ensure that we have the sustained preparedness that the Nation needs in terms of military power so that we can exercise all of our capabilities and influences to seek a more stabilized world.

So, again, we seek balance and we must turn around the declining modernization—next to no modernization—going on today if we intend to repair the damage and to have the kind of military force in the future that the Nation and our people will demand.

Thank you, Mr. Chairman.

Senator MCCAIN. Thank you, General.

#### **STATEMENT OF GEN. ROBERT W. RISCASSI, U.S. ARMY (RET.)**

General RISCASSI. Mr. Chairman, Senator Glenn, I have some prepared remarks that I would like to submit for the record.

Senator MCCAIN. Without objection, your complete statement will appear in the record.

General RISCASSI. I will just pick up with what Admiral Trost and General Gray were discussing in terms of stability and just to rephrase what we tried to do in this report, or what we were asked to do in this report.

One, I think, was to test the adequacy of the 1993 BUR force structure to meet the objectives of the current strategy, that is engagement and enlargement as underpinned by the two-MRC scenario with a the full realization that operations other than war were the most likely scenarios that this country would be involved in in the near timeframe.

Two, to make some observations on readiness and readiness trends; and three, if we saw deficiencies to identify those deficiencies as success inhibitors for military operations.

In my estimation, as I see it, the services ought to have stability and adequacy in total obligation authority—in other words, if you freeze at the 1995 level, an inflator must be considered for the out-years plus the pay raise for the force.

Second, stability in structure. That is the stability in the Active component structure and a Reserve component structure at least through the end of this century. Third, a proper reimbursement for nondefense expenditures because we have seen from a near-term readiness standpoint, that they are an inhibitor for momentum in

terms of training proficiency as you look at the total force. Fourth, as General Gray pointed out, a balance between the investment and the operating accounts.

Now, we highlighted, in the conclusions of this report, two areas that we felt were very deficient. One was inadequacy of the lift both from the air and the sea standpoint. If you looked at the two-MRC scenarios, even though they are near simultaneous and even though you separate them by 45 or 50 days, you cannot move the forces to an MRC west and an MRC east in an adequate amount of time to ensure win-win in both scenarios, especially if MRC east goes first—the Korean scenario, Northeast Asia—where you do not control the time dimension. You have a more stressful demand on your strategic list.

The second area that we looked at superficially, but I think it makes the point, in theater ballistic missile defense, both from a theater standpoint and national ballistic defense standpoint.

The problem is funding and the adequacy of funding as you attempt to harmonize the active and passive defense measures necessary for ballistic missile defense. Let me explain that a little bit.

Are we good enough from an architectural standpoint to operationalize from factory to lanyard on the passive defense standpoints, talking about human all the way through sensor suites. Then from the active standpoint, are we good enough from the shooter standpoint, technologically we are, and programs have been identified, so it looks like that may be fairly well in hand, then the other question is, do we have an adequate battle management, C<sup>4</sup>I, to tie it all together.

It really is a harmonization of those capabilities that we are talking about and not so much a decrement in a line-item funding for a given weapon system.

The last point I would like to make with you is a lot of people have talked about readiness and what goes into readiness. It is a lot more, as you gentlemen know, than foxhole strength. It is the ability to place in harmonization long-term investment in recruiting, retention of quality soldiers of all services and their leaders, quality of life, modernization of equipment, organization and operational concepts, and then taking all of that in training to standards.

If we do that, and we adequately fund it from a near-term standpoint and a far-term standpoint, I think we then have reached a balance between our investment accounts and our operating accounts.

Thank you.

[The prepared statement of Gen. Robert W. RisCassi follows:]

[The witness did not provide a written statement.]

["A Report on Military Capabilities and Readiness" will be retained in committee files.]

Senator McCAIN. Thank you very much, General. I want to thank all the witnesses.

General Gray, you make an argument that by our failure to modernize that we may be doing more serious damage in the long-term to our ability to defend this Nation's vital national security interests than was done in the 1970s when, as you mentioned, the personnel accounts, recruiting, et cetera, and the O&M funding were

so badly underfunded. Is that a correct interpretation of your remarks?

General GRAY. Absolutely, Senator. I am absolutely convinced that our failure to have a balanced modernization effort for the near-term, when viewed in the long term, is much more dangerous in terms of hollowing out the force than the difficulties of the 1970s.

Senator MCCAIN. General Riscassi, you mentioned that we should have a level funding with provision for inflation plus a payraise and then you mention stability in force structure and then, of course, the reimbursement for expenditures of contingencies.

Rough calculations, we simply level defense spending, real dollars, 1995 level, what does that do?

General RISCASSI. I am not sure I follow.

Senator MCCAIN. In other words, is that sufficient to obtain stability in the force structure and maintain readiness if we simply leveled funding for, say, 5 years, as the House proposes. The latest House proposal is level funding for 5 years in 1995 real dollars.

General RISCASSI. Is that good enough to ensure that you have the type of force that you want at the turn of the century? The answer to that is no, because we have not struck the right balance between the investment account and the operating account and that is what we are really searching for. What is that balance that ensures the force is trained to standard and all those other things that I placed in the readiness definition are there and then you can manage your investment accounts to the point where you have modernized both from a mid-term and far-term standpoint that allows you to make a set end strength do more as you turn the century.

In other words, what is the one, two, three, five enablers that would allow you to make, from the Army standpoint, the active Army standpoint, do more than it currently is.

I think if you just reflect on the ability of information technology to cause 495,000 to do more and cause that cultural change that is necessary, then I think you are on the right track in how you balance investment in operating accounts.

General GRAY. May I just add, Senator, in my judgment, if we stabilize the force and had a level funding plan in the neighborhood \$270 billion, a number I have heard talked about provided that that has provision for inflation, growth and those type of things, then I think that would give you a point of departure and if you would get a certain effectiveness and economy of scale in reverse, if you will, because you could plan properly.

I do not think you want to fix the whole apple at once. You want to fix it a part at a time but you want to do it synergistically, not unlike the way we created an anti-submarine warfare capability years ago. We did not come up one big tremendous expensive system. We did what we could in a synergistic way until we ended up with a pretty good capability. I believe that that is important, to take that approach.

Senator MCCAIN. Admiral Trost, do you have any comment on that? Because, as Senator Glenn pointed out in his opening remarks, we have to begin somewhere and it seems to me determin-

ing a level of funding is where we should start. We have to do certain things—none of which I disagree with what you said—but I just think the starting point is some level of funding that we have to determine as adequate in order to regain those balances and do the things that General RisCassi just described.

Admiral TROST. We agree and we were very careful in our assessment not to try to come up with numbers which are really under the purview of people across the river to determine, but we also have lived our lives in fiscal reality and we are well aware of the problem.

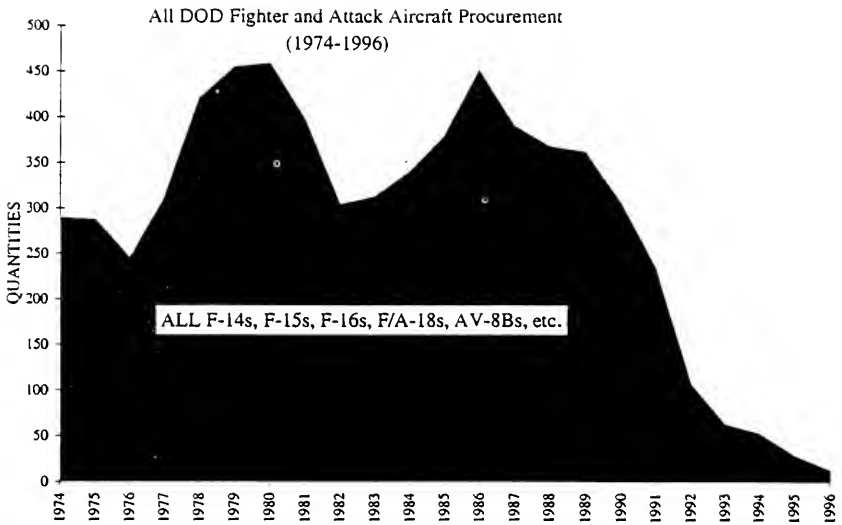
I would add that I personally believe that the adequate level of defense that we are talking about is affordable by the country. When one looks at the percentage of Gross National Product or percent of the Federal budget, or whatever measure, clearly, we can afford what we need. The question is the will to do so.

We have looked long and hard, recognizing your question of a level funding, if that level funding is real dollar level, that will take care of some of the deficit that has already been identified to fund the current defense plan. How much of it I do not know.

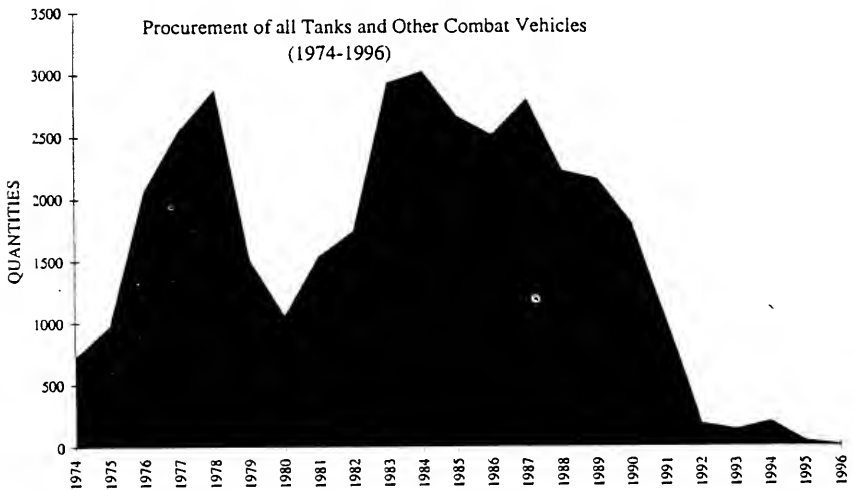
But even with that level funding, unless all the requirements—well, they are not intangibles—such as adequate military raises, adequate reimbursement for unscheduled, unplanned, unprogrammed operations, unless all those things are funded, we will continue to see some decline, even with level funding. However, it is sure a better start than continued decline.

We had looked at a number of issues that I think amplify General Gray's expressed concerns about the failure to modernize through adequate procurement. You know, we looked at modernization in two ways: one, that modernization necessary to keep aging platforms abreast of the threat, and the other being that procurement of things, ships, aircraft, tanks, et cetera, that provide the underpinnings for the force structure of the future.

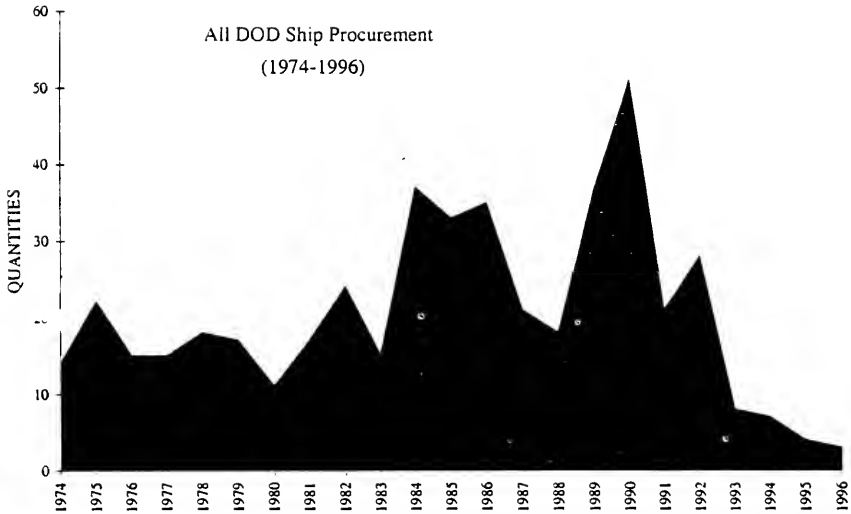
The procurement charts that we were able to obtain gave us great cause for concern and if those copies have been sent up to you, I think they are worth just flipping through very quickly.



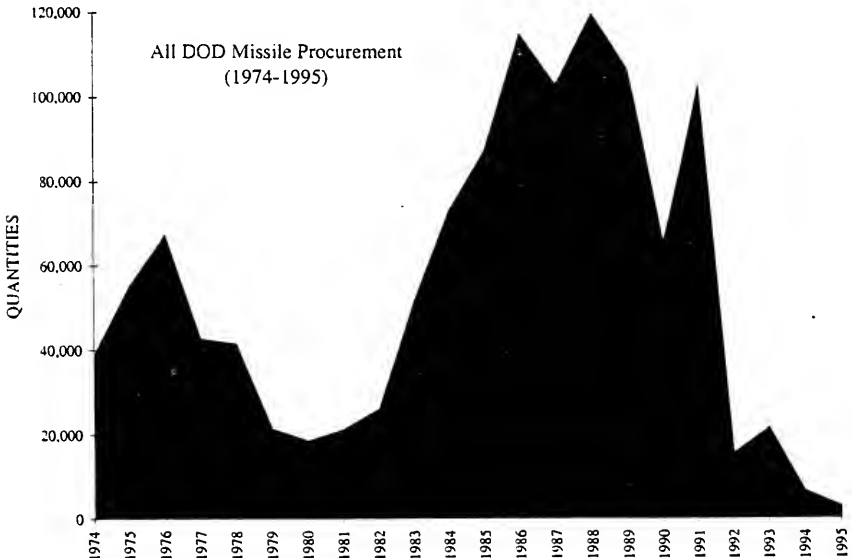
They show, on the one chart, DOD fighter and attack aircraft procurement. When you look at fiscal year 1996, you will see I think that number reflects about 12 F/A-18s and some A/V-8Bs and that is about it. The Air Force will not be procuring any fighter aircraft in 1996 or 1997.



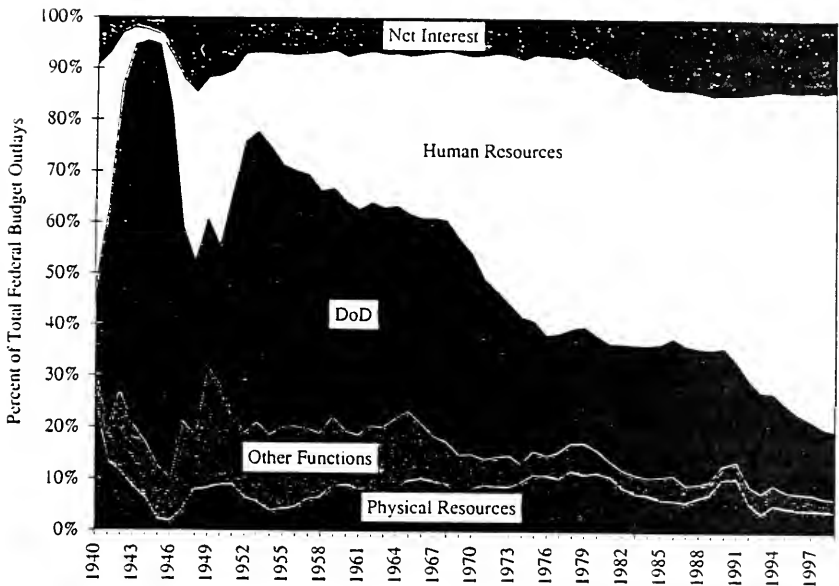
The next chart shows tanks and other combat vehicles, also training off to zero.



The next shows ship procurement, down to about three, as I recall in 1996 and going on a trend curve that I find even more frightening than the actual number.



Another shows DOD missile procurement going down very near to zero. The problem is, again, the maintenance of the critical base that can permit us to procure those when we need them in greater numbers, recognizing that today's inventories are totally inadequate in terms of high capability threat munitions. They are, in fact, lower than they were during Desert Storm because we have not procured to replace those that we used up.



The final chart just shows a breakdown of the overall spending by the Federal Government and simply underlies my comment that we can afford it if we want to because the proportion devoted to defense has been a declining proportion, properly so, in meeting the country's priorities, which certainly reflects realities of affordability.

[Average age (years)]

	Fiscal year			Comments/Assumptions
	1994	1999	2011	
Army:				
Tanks .....	6	11	23	No follow-on to M1
Bradley Fighting Vehicle .....	7	11	23	No follow-on to M2/M3
Recon/Attack Helicopter .....	18	22	34	No Comanche procurement
2 ½ Ton Truck .....	24	28	35	Econ useful life: 20 yrs
M109 Howitzer .....	23	28	40	Econ useful life: 20 yrs
Navy/Marine Corps:				
Fighter/Attack Aircraft .....	10	10	14	[If] F/A-18 E/F proceeds
P-3 ASW Aircraft .....	18	22	34	No follow-on to P-3
USMC Medium Lift Helos .....	28	31	24	[If] V-22 Osprey proceeds
Attack Submarines .....	14	11	17	[If] SSN-21 proceeds
Surface Combatants .....	10	13	17	[If] DDG-51 continues
Air Force:				
Fighter/Attack Aircraft .....	11	14	24	[If] F-22 proceeds
Airlift Aircraft .....	23	27	35	[If] C-17 proceeds
Bombers .....	22	25	37	No new procurement
T-38 Training Aircraft .....	26	31	43	No follow-on to T-38

We finish up this package with a chart that shows the average ages of the equipment our people are going to be fighting with in the future and, as you can see, absent adequate procurement, those numbers go up and up and up until you finally have people fighting

with old airplanes, old vehicles and old ships, and that generally means absent proper modernization of equipment, obsolescent equipment and a lesser capability to win.

Senator MCCAIN. Thank you, Admiral. Senator Glenn.

Senator GLENN. Let me just follow through on that a little bit. I am still a little bit lost here. Let us say we came up with another \$3 to \$5 billion. You talk about stabilizing, and I agree, that "stabilize", is a nice word, except are we going to stabilize around the numbers of people we have now, and are we going to stabilize with old equipment?

If we stabilize now, we would stabilize with old equipment. Does stabilize mean with new equipment? Does stabilize mean to do the depot maintenance we have now? Does stabilize mean we use the old weapons and we concentrate on new enhancements that are a different category or do with the old weapons and go with people programs? I am not sure where your priorities are. I know we are not going to come up with another \$50 billion, or something like that, to do all the things we would like to do, and I would like to do.

I am just trying to pick your brains as to where you think we have the biggest deficiencies in people or equipment. So, if we came up with some extra money, where would think it would be best spent?

Admiral TROST. We asked ourselves the question of where would we put our priorities. Our priorities would be to fix the underfunding of what we have right now.

Starting with people. We would pay them right, we would take care of the quality of life issues and we would try, if the money were available, to properly fund the operations—

Senator GLENN. If you did not have that extra money, you would go with people programs first and do with old equipment, right?

Admiral TROST. I would go with people first, and if I could solve that problem and if I could properly fund the operations of current forces, which we all admit are stretched thin, but nonetheless, I would fund them properly.

Then, the next priority would be that mid-term modernization that takes care of an evolving threat and make sure that you are not putting people—

Senator GLENN. Now, modernization or depot maintenance to get us up with what we have?

Admiral TROST. It is a combination. Depot maintenance to get you working with what you have got and then modernize.

Senator GLENN. It would be personnel, depot maintenance, then modernization.

Admiral TROST. Then modernization, then buying the big capital-intensive things as a step in that modernization but a step, one step further downfield, we would not increase the size of the existing force until we had fixed all the problems.

Senator GLENN. General RisCassi, do you agree with that priority or do you have a different priority?

General RISCASSI. I think I agree with that, Senator Glenn. It is sort of difficult to put 1, 2, 3, 4.

Senator GLENN. I know, but that is what we are facing.



General RISCASSI. That is your dilemma, but clearly, adequate pay for the force and to ensure deferred maintenance is funded to an adequate level. The stability then comes in freezing the end-strength number and freezing the organizations associated with that end-strength number and then, third, if you want it, is modernization.

I do not want you to take it that I would not fund modernization. I think that is the insurance that you are going to have for the 21st century, that you are not a hollow force.

Senator GLENN. You would put that ahead of personnel?

General RISCASSI. You are searching for that balance. It is very difficult, I think, as I mentioned before. There are a couple of enablers that would be coincidental with fully funding the pay raise that would allow you to do more with a frozen end-strength, at \$1.4 million for the Defense Department, and then that is the balance you are looking for. I cannot crisp up that answer for you, Senator.

Senator GLENN. Well, maybe that is the best answer. Maybe you put some of it across-the-board and all of it, I do not know. Maybe that is the answer. I am just trying to get some idea. General Gray, what is your feeling?

General GRAY. I would take the tack that you carefully examine each account and that you look for the balance and the synergism. I do not think you can fix the personnel account all at once without doing away with laying the cornerstone, the foundation for improving modernization, both in the short-term and the mid-term and it is the same way with the other accounts.

So, to me, you have to go forward together and I look again at all those pillars of readiness and capability. That does not mean a percentage leveling or anything like that; it means a careful examination by account based on the overall focus of effort which we perceive to be making sure that we do not have a hollow force of gigantic proportion that would take 10 or 15 years to fix unless we act now.

Stabilization simply has to do with structure and people and where possible, as Bob has said, the organizations. However, we need to go forward, I think, after careful analysis of all of the accounts and not fix them up 1, 2, 3, 4. I do not think the challenge lends itself to that, Senator.

Senator GLENN. Just one additional question and my time is up, but if we—let us say the money is not there for whatever reasons of budget-cutting, and let us say we have our end-strength now at 1.425 million, and there is not money enough at that size force to do all the things we need to do, such as quality of life, pay raises, and new equipment for that size force.

Would you favor staying there at that and letting things sort of go as they are or do you think we ought to keep the same budget and downsize a little bit further so we do not have a hollow force but the force we do have is ready and equipped and ready to do.

General GRAY. I do not think the math would add up. We were told this before. There is no credibility here, there is no historical precedent for this. We were told this in the late 1980s and the early 1990s that if we sized down the force, we would be provided the funding to modernize, the funding in R&D to stay ahead of

technology, the funding to take care of these splendid warriors and all of that, and that we could compensate with new ideas, innovation and all of that.

None of the promise has been kept. The only thing we have done is cut people and nothing else.

Admiral TROST. Just one side light, if I may, Senator Glenn. It does not solve the problem by any means, but one of the lessons of the 1970s and early 1980s was the importance of having the right people and the right numbers properly trained.

We had problems with very high operational and maintenance costs as well as maintenance backlogs in the 1970s. We lost skilled people. Congress, in 1980 and 1981, came through with two successive pay raises which stabilized our personnel force.

We saw an increase in retention of skilled people and suddenly we were spending less money to maintain a larger force at a higher readiness level than we had been able to in the 1970s. That says put your priorities up front to make it people and you get a pay-back that people cannot quite understand until they see it happen.

Senator MCCAIN. Senator Robb.

Senator ROBB. Thank you, Mr. Chairman. I thank all three of the distinguished witnesses that you have today. I have had the privilege of hearing all three of them in uniform and now out of uniform and their commitment to keeping our national defense structure strong is not challenged by anyone.

I am troubled by the same types of things that the chairman and Senator Glenn are troubled about, and the responses, in terms of making the kind of choices we have to make and which you are no longer specifically required to make, although I appreciate the document that you have put together.

I would say parenthetically that it appears to me to reflect an optimal situation which is not in the immediate future with respect to the ability to fund the kinds of increases and I think it reflects a return close to the levels you experienced when you were last on active duty.

It seems to me your testimony today indicates that you would, without exception, support people first. I believe that would be about what the current Department of Defense has accepted as its own priority and I think everyone wants to avoid the hollow force, or anything even approaching it.

I would suggest that in terms of increases for the procurement for carriers it is, obvious that Senator Warner, my senior colleague on this committee, and I have a long-time interest in keeping that line alive. The staffing level at the Marine Corps, 174,000, was even 3,000 below what the current Commandant had said was the bottom line, and getting up to 194,000 would be very desirable.

But I have real difficulty in seeing any of the up suggestions with respect to equipment or Operations and Maintenance, and what have you, as fitting within the budget scenario we have right now.

Senator Glenn, I think, hit on the kinds of choices we are going to have to make as policymakers with respect with what we do from here on and whether or not we continue to try to keep what we have in terms of the numbers of individuals and the numbers of planes, tanks, carriers, et cetera, or whether we are going to

have to make some other decisions that will be even more painful in that regard.

I do not know if there is any additional comment you want to make. If there is, I would welcome it and then I want to ask a slightly different question to see if we can frame it a little differently.

Admiral TROST. If I might comment briefly, Senator Robb, your comments are very fairly stated. We noted at the outset that having found that the current forces were inadequate for the stated intent and having noted shortcomings in those forces, we felt our report would be incomplete if we would not then answer the question, "What do you think is really needed?"

So, we set forth what we thought was needed, not as a force-building or budget increase effort, but just to complete the loop, recognizing full well that current budgetary reality makes it unlikely that any of that expansion would take place in the near term.

Senator ROBB. Well, certainly, it would give us an additional level of comfort that I do not think anyone would deny.

General GRAY. Can I just add to that and this is a crucial point because the tasking came down force structure and then readiness and the like, we addressed it first. But we want to make it unequivocally clear that is not the main concern or our main worry.

We set forth a planning force structure, which we believe at some point in time, 5, 10 years or whatever, one may want to look at and begin to redress that. That takes growth. So, our position was, no, we will stay with the force structure as it exists today and stabilize that, stabilize so that we can plan and have cost economies grow from that planning because you reduce a great deal of uncertainty.

The redress is in the balance: to begin a movement toward a modernization program for the near term, to begin to strengthen the R&D effort for the longer term, begin to use investment accounts, if you will, for the right reason, and not to shore up short-term readiness.

Then, within that construct, it is the people side of the equation which has to be stabilized and improved somewhat—again, maybe not all at once, but look at all the individual accounts, come up with a campaign plan and so on. But something that has some continuity, not a year-in, year-out markup. Something that, for planning purposes, people can agree on over a period of time.

Senator ROBB. I certainly think that is the intent of the chairman, to try to develop some of those numbers that we can look to and plan on.

Let me just ask one additional question.

General RISCASSI. Can I make one observation for you, Senator Robb?

Senator ROBB. Please.

General RISCASSI. And that is, as you look at a scenario that you and Senator Glenn have painted, one has to examine the question of the ability of the Armed Forces to execute the National Military Strategy. And I think if you decide to trade off end strength—in other words, you take 1.4 million down to 1.0 million—you are in danger of losing a capability that undergirds the world power aspects of the United States.

I do not think you want to do that.

Senator ROBB. Well, I think it is fair to say that none of us want to do that.

Mr. Chairman, my time is about up, but let me make just a hypothetical if I may. And I know this is always dangerous. But if we were able to make an assumption about threat assessment for the next 10 years or so—and again we cannot make it, and we have to be prepared for contingencies that may come up tomorrow, and I accept that—and in that assumption we could know what the threats were going to be and we knew that there was not in the next decade going to be any significant increase in any of the areas from which we might have to assume a threat would come, what changes in structure would you make if you had the luxury of a decade of stand-still threat assessment that included a reasonable guarantee that you are not going to have to deploy force for some unknown contingency during that period?

In other words, how would you begin to shift to meet future contingencies, given the constraints of both the budget and the kinds of equipment that we have in the pipeline today, to deal with contingencies that would be the better part of the next generation?

Admiral TROST. I would love to take that one.

Senator ROBB. All right, please.

Admiral TROST. I think what I would do, Senator Robb—now, first of all, this says I have a sense of confidence that I personally do not feel.

Senator ROBB. That is right. And I agree with you. And I am asking you to suspend disbelief on that question.

Admiral TROST. I would then reduce today's force structure, because we have decided there is no requirement for it, and we presume that our reduction in capability does not encourage someone else to move in to the vacuum. And I would start immediately working hard on research and development to counter the projected threat for that time frame.

I would start today to develop the airplane that I hope to be able to start building 10 years from now. And I would start right now making sure my industrial base could crank out all the things I think I am going to need in 10 years. So that would be a flip-flop of today's investment balance.

Senator ROBB. Admiral, I was assuming that approach. What I am asking you, in effect, is what kinds of priorities would you establish, given the knowledge that you have today that we ought to place more emphasis on than others? In other words, if you are making critical choices for half a generation away, where are the areas that you think that we are going to need to do more or be more prepared than we are today?

Clearly, if you knew there was nothing happening, anybody whose enlistment was going to run out in the next 6 years, you would do early-outs and you would do a lot of things.

Admiral TROST. Well, you would take some of those.

Senator ROBB. What are the areas that you would change if you had that luxury?

Admiral TROST. I think if I had that luxury, one of the things I would do is ensure that I maintained a very capable trained, hard-core military personnel base. And when you say over 10 years, that

says I have got to keep some of the most promising new ones today, to have them around for the mid-term 10 years from now.

I would also make sure that we started that research and development that I mentioned earlier into meeting that evolving threat, but I would put heavy investment in threat-oriented munitions, which we are woefully short of now.

Senator ROBB. That is what I am trying to get to now.

Admiral TROST. I would make sure we had the platforms to fight with in that timeframe. It means we have to do a lot better than we are today in aviation production. It means we would probably buy more ships or find some way to keep those we have from aging ungracefully. We would buy the hard-to-produce items—the tanks, the amphibious vehicles, the kinds of things that we know we are going to need out there.

I would make sure that both my R&D base and my production base, even though it might begin with limited quantities, was adequate to preserve the industrial capability we know we would need 10 years hence to continue that build-up or continue to sustain what we have built up.

Senator ROBB. Thank you.

Either General Gray or General RisCassi, I am really thinking of changed priorities. That is what I am trying to get at.

General RISCASSI. I think, from a wish list standpoint, I would fully fund as soon as possible information technology. Which then says that if you have perfect situational awareness, you can culturally change organizations to do more, and thereby make your end strength number of 1.4 million for the Defense Department take less of a risk if you kept the national strategy of engagement and enlargement the same as it is today.

So, fully fund information technology, which would set you up for the 21st century. If I had to give you one priority, that would be it.

Senator ROBB. All right. That is the kind of thing I am looking for. General Gray.

General GRAY. I do not agree with any of that. Sorry. But industry, commerce, business, and economic interdependence is funding information technology.

All you have to do is stay on board, stay on top of it, use smart R&D effort, particularly in building fieldable bread board models and types of things like that, demonstrating them in the field, keeping a small number of them on the shelf so that if you have to go you can use it.

While it has become quite popular to talk about the revolution in military affairs and it has become very interesting to talk about the use of technology in the future, and how technology will permit us to do all these wondrous things with very few people, again, I would argue for balance.

The kinds of operations, the kinds of commitments that the young warriors face today and will face every day and every night for this 10-year hiatus that you have given them, Senator, they are going to be, for the most part, people-intensive. You do not conduct operations-other-than-war by blowing people away.

I would focus, for example, on an investment in intelligence. We have got to learn about people and countries and regions and cul-

ture and what you can do and not do—a whole different kind of an intelligence thought process vis-a-vis order of battle and how many tanks and all of that kind of thing.

So, if you go forward any other way, in my judgment, then a balanced, thoughtful approach that will examine, by phase, in a campaign plan the risks involved. And then you can make an educated risk. If you want to do it with fewer people for a while, fine, as long as everybody understands that risk.

On the industrial base, remember, the industrial base today is far smaller, far less capable than it was in 1980. In ammunition alone, if you do not do something about it, you will not be able to build bullets in the United States of America. You will be borrowing them from the Germans, like we did in Desert Shield.

So I would be very careful adopting this grandiose concept of my two colleagues without giving this a great deal more thought.

Senator ROBB. Well, this addendum to the report, which was not requested by your chairman, need not be signed. And I thank you. Admittedly, we are trying to do a little long-range thinking.

Mr. Chairman, I thank you for giving me an opportunity to extend beyond the time.

Senator MCCAIN. Thank you, Senator Robb.

I would point out—and I know the witnesses know very well—that the possibility of a 10-year hiatus, I think, is remarkably small.

I noticed last week that the Chinese moved into the Spratly Islands. A flash point if I have ever seen one.

I noted with interest that if the Bosnian truce—if that is what you want to call it—breaks down, we are bandying about deployment of 10,000 to 25,000 U.S. troops, with all the associated airlift and tactical air capabilities associated with it, to help evacuate United Nations troops.

I note with interest that the North Koreans continue to display a truculent attitude toward the insulting eventuality to them that the South Koreans would be responsible for providing them with \$4 billion worth of nuclear reactors.

As I look around the world, I see places whose names we cannot even pronounce, as places where we may be required to commit U.S. forces. And I think one of the lessons that we have learned at some cost already is that we went from a very dangerous but pretty predictable world to one which is significantly less dangerous but far more unpredictable. Which I am not sure would give us this comfort zone of 10 years or 5 years, or even one year in which to consolidate and move forward.

What I hear from the witnesses—and what I think General Riscassi said—is that we really are at a point where we are going to have to decide what role we want to play in the world. Because if we continue along this path, we will not have the capability in order to play a significant role, at least in some parts of the world. And, obviously, the most dangerous of all courses would be for us to make commitments that we find that we are unable to keep.

Senator Coats has asked me to ask some questions on behalf of Senator Lott. And they are, I just say, very difficult questions. So I will ask them.

General Gray, does a 30-year-old LPH give the Marine Corps the same capabilities as an LHD?

General GRAY. Absolutely not, Senator Lott. And I never fail to put a plug in for new amphibious shipping. But I would say we need to have numbers. If we keep putting everything in one great, big ship, we are going to go to war with one great, big ship and not the kind of flexible, rotational base we need.

Senator MCCAIN. I am not sure that Senator Lott will appreciate that addendum.

General GRAY, would you trade an LHD for an LPH?

General GRAY. No.

Senator MCCAIN. I think that is the answer he wanted.

General Gray, given that a valid military requirement exists for LHD-7 and purchase of that ship this year would save over \$600 million in the Navy plan, does purchase of LHD-7 make sense from a modernization standpoint?

General GRAY. Absolutely.

Senator MCCAIN. Thank you. I am sure that Senator Lott will be pleased with those answers.

Senator GLENN. We want you to know that there is nothing parochial in these questions. [Laughter.]

General GRAY. Those are the easiest questions I have ever had.

Senator MCCAIN. Could you elaborate on your answer for a moment seriously—that you do not want to place all your eggs in one large basket, so to speak? Would you elaborate on that answer?

General GRAY. Yes. I think it is very important, whether we are talking about carrier battle groups, or what I call battle forces or amphibious forces and that type of thing, or even maritime preposition capability and the like, to understand that we need numbers for flexibility, so that we can exert global presence and global influence. And you influence matters by being there or being able to get there. That way you can add to stability or restore a situation to stability.

So, to me, in the maritime and aerospace view of the globe and what we have to do, you have to pay a certain amount of attention to numbers, and I worry about sometimes people saying, well, we will put all of that—you do not fight with lift and deck spots; you fight with ships and warriors and aircraft and that type of thing. That is my point.

Senator MCCAIN. So your preference would be a larger number of smaller amphibious ships, as opposed to a few larger ones?

General GRAY. Yes. I think, again, a balance. I think the LHD-7 plan is a good one, because it is a ship of sufficient size and flexibility that it is like a flagship in its own. And it can be the centerpiece of flexible forces that we need to operate around the globe. But I think that we need to also crank in the numbers factor, because you need that rotation base. I need not review on the overhaul and the rotation base and all of those type of things.

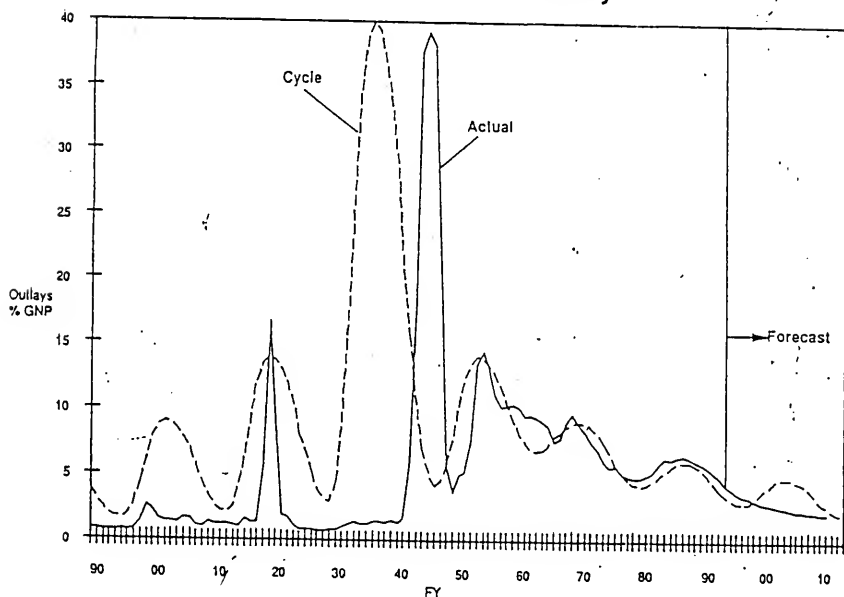
So I think a balance is needed.

Senator MCCAIN. Thank you. Senator Glenn.

Senator GLENN. Thank you.

# 100 Years of Defense Spending

## 7 Years to Peaks, 10 Years to Valleys



Feeding into what the chairman was saying just a minute ago—and I am not sure I gave you a copy—but this comes from the historical statistics of the United States. I think it is very interesting. It shows 100 years of defense spending. The dashed line is since the Spanish-American War days, and it is an exact 17-year cycle. The solid line is the actual spending.

The only war that is off that 17-year cycle since the Spanish-American War, since clear back in the last century just about, is World War II, which was off by 4 or 5 years. Outside of that, look at that 17-year cycle. It is almost spooky, up and down. Seven years to build; 10 years down; 7 build; 10 down. And this is done as a percent of GNP. I guess it could be done a number of different ways.

Just take that with you. I think it is interesting to look at this thing. Every time we have gone down like this since the Spanish-American War days, we thought peace had busted out all over—that takes care of that; boy, it has arrived; we can do away with the military practically, except for a few little police purposes or something—and every time we have to go at it again and build back up. This is one reason why I would rather have seen us at the 1.6 million.

Let me make another point here. In the testimony by General Shalikashvili and the Secretary of Defense they both stated that the core philosophy that guided this effort was to balance our future strategic requirements against a still shrinking force. The counterweight was the combination of planned service modernization programs and selected force enhancements—the seven force



enhancements—the sum of which would make our forces faster to deploy, more effective and lethal when they go to battle. The idea is to grow our force down without allowing the force to become too weak.

Now, I do not have a total here on how many billions it would take to get us additional Army prepositioned equipment, airlift/sealift—we are talking about big billions when we talk about what we need in airlift/sealift—improved anti-armor and precision-guided munitions, more early-arriving Navy air, improved Army National Guard combat brigade readiness, improved Army Guard and Reserve support force readiness, and improved command, control and communication intelligence assets.

Now, those seven things we predicated, in going down from 1.6 million on down to 1.425 million, that we had these. And when they did their last war gaming, Nimble Dancer—and that is the only thing we have to go on when you do not have some combat to test things out—we asked, what they assumed. Well, they assumed we had all these in Nimble Dancer, as a test of what our capability is right now.

So we sort of had to take them over the coals a little bit on that one. I can dream up all sorts of great systems. And if we assume we have them, well, your war game comes out right. If you do not—which we do not have these things now, and we are not going to have the billions to do it—so I question on whether going down to 1.4 million or 1.425 million is valid, and whether we should not be going back up a little, if we are not going to have these enhancements.

If you do not have the enhancements, then you need some more folks. That is the reason I have been pretty critical of this whole thing.

General RISCASSI, in your expertise on Korea, if you had your druthers—and that is one of our two flash points, of course—what do we need out there? Do we need more ground forces, air forces, stand-off weapons, tactical intelligence, theater missile defense? If you had your druthers and limited dollars, what would you like to see enhanced out there?

General RISCASSI. Theater missile defense and tactical intelligence.

Senator GLENN. How about CW?

General RISCASSI. CW?

Senator GLENN. Chemical weapons. They have chemical weapons up there, and certain times of the year they blow right, straight—the prevailing wind—

General RISCASSI. Would I want any in-country?

Senator GLENN. No. I am talking about defense.

General RISCASSI. Yes. An active chemical defense, in terms of suits, all the way on up, yes.

Senator GLENN. Do we have those now?

General RISCASSI. You have them. The answer is not in the quantities that you—I am talking about the Coalition now, as opposed to just the U.S. side—not in the quantities that you would like across the board, through the full spectrum of capabilities on the Peninsula, both from an active and a reserve standpoint.

Senator GLENN. I am beginning, and I have been leaning in this direction for the last year and a half or so, thinking that our missile defense is not nearly as—is becoming less important all the time. Because I think as we go along, we are much more likely to have things like a broad-based chemical weapons attack or even a biological weapons attack. Maybe some time in the future that is a little harder to handle. But CW, as the Japanese situation showed us, is here and now. Even sarin and gases like that can be put together by practically amateurs.

I think we will have cruise missiles one of these days with new accuracies. We know what our own capabilities are. We have to eventually give other people those same capabilities—low-altitude, map of the Earth. I am more concerned about those things, I guess, than I am about the lob. We can always tell where something came from, and we can shoot back at it, if it is an ICBM or an IRBM short-range missile. And we are capable of obliterating any place that that came from. Cruise missiles and things like that, we are not. And CW, we are not. I am beginning to be more concerned about that, and thinking we are not putting nearly enough into that kind of defense. I would appreciate yours or anybody else's comment on that.

General RISCASSI. On the cruise missile, air-breathing threat and ballistic threat, I think the requirement has been established. I think the systems, if you evolve from a PAC-2 that we had in the Persian Gulf to the future, of a PAC-3, which one of the requirements in the technology was the vaporization of that type of a threat as it came in, on CW, we are on the right track.

If you evolve into a CORSAMFAD approach, then essentially you have got the active piece about right.

The fundamental question then is the passive piece. From factory to lanyard, do you have that covered in sensor suites? And that was a comment that I made before.

So I think the Defense Department is on the right track. Obviously, you do not have it in being right now, and it is going to take a while before you field it.

Senator GLENN. And it is costly.

General RISCASSI. And it is costly.

Senator GLENN. And we need money for other things. That is the reason I am trying to prioritize on how I am going to vote one of these days.

Any comments, Admiral Trost, to this area of CW and cruise missiles versus theater missile defense?

Admiral TROST. I think our ability to handle CW and biological problems in general is inadequate across the board, whether you are in Korea, at sea, wherever. We have consciously avoided the costs of being able to cope with some of these things in our ship construction, for example.

About the first ship we built to be able to cope successfully by closing up and staying separately clear of the environment is the Arleigh Burke class destroyer. And we are not going to build a whole lot of those. And there a lot of other ships that are going to be vulnerable, including ships full of people called marines, who we are trying to haul off to be combat capable.

So I think the entire area needs an awful lot more work than has been done.

Senator GLENN. They are of more concern to me now than the ICBM threat.

General Gray, what do you think?

General GRAY. Well, I would agree. I think, again, it should be a very carefully thought through and focused effort. We should train our forces selectively, portions of our forces, to be second to none in fighting in the chemical and biological environment. That includes a whole new approach to protective clothing, equipment, detection, and the like.

We should also get far more serious at targeting this kind of capability and this potential. We should I think fully support counterproliferation measures—political and the rest of it. But, at the same time, we should really be thinking about how we can take these capabilities out selectively before they can do any damage preferably, or certainly too much damage.

It is a major threat. We have a long way to go. It was never a very attractive project or a line item. It did not have big dollars attached to it, quote, unquote. It did not have a lot of glamor to it.

It got thrust to the forefront because of Desert Shield, as we all know. And then we did an enormous scramble to get the kinds of capability out there to our warriors and to get into the chemical inoculation programs and the like so that we could have at least a minimum protection for the front-line people.

So it is something that deserves far more attention than it gets and far more practical testing and application and the like than it currently receives. I do not think it would necessarily take the budget to do it, if it were thought through, if it was a focused test effort, thought process and the like, and use our technology and get this kind of capability on the shelf and certainly within the industrial base.

Senator GLENN. Thank you.

Senator MCCAIN. Senator Robb.

Senator ROBB. I wonder if I could follow up on a comment I think General Gray made just a minute ago. And that was talking about the maritime preposition. One of the things that I was trying to get at earlier—and not very successfully—was to determine whether the kind of tradeoffs that we are talking about still make sense. I.e., looking at the kind of war we are going to fight the next time, as opposed to refighting the last war.

One of the areas that has always been of interest, at least to me, is what we can do with respect to prepositioning and whether or not we have enough. Let us assume that we have or can change the resource allocation. Should we look toward more prepositioning—not just maritime prepositioning, but whatever other advanced basing or packaging that we could develop—so that we can diminish our critical lift requirements in the event that the balloon goes up?

Are these the kinds of things that we ought to be shifting, with respect to the kinds of defenses that Senator Glenn talked about—tradeoffs there as well? Can we make changes in prepositioning that would make more sense?

General GRAY. I think we should continue to look at that. I think the Department of Defense has looked at that very carefully here in the last 3 or 4 years, and has done two mobility and prepositioning studies—well, one, and then another one after the BUR was modified.

To me, there is a substantial preposition effort going on now. There is a lot involved in that, as the Senator knows. The host country permissions and the like.

Senator ROBB. Oh, sure.

General GRAY. It is a very geopolitical concept. I think it is moving along fairly well. And I think there is an aggressive plan to put more Army preposition capability on some ships.

The one area that really concerned me in the last couple of years was the failure to upgrade the existing maritime preposition capability that we have. Which certainly a splendid example of what can be done was in Desert Shield, and has been used in Somalia and elsewhere. And this is really, relatively speaking, a Dart Drug-store operation. This is very affordable.

The Congress saw that, as you know, last year, and saw fit to authorize three additional maritime preposition ships, and to authorize three as foreign hulls and to appropriate one. I would hope that that effort continues. Because when the original maritime preposition concept was adopted, there was a limitation put on the ships.

The concept was to have a core CRE of three marine expeditionary forces' worth of capability there. And because the ships were limited, they were sized down to a brigade slice. This additional ship concept for each squadron has enormous merit, and it is a substantial multiplier in terms of costing and planning and the like.

I think that we should upgrade the command and control there a little bit and, above all, update the brain housing group on how to employ these resources and be innovative and that type of thing.

We made a major mistake, in my judgment, by not committing the maritime preposition forces in the last 2 weeks of July 1990, as a clear deterrent signal to Saddam, that he ought to do what some think he will. We opted, for reasons that I have yet to be able to understand, not to do that. And the only deterrent move we made was a little rinky-dink air control exercise down there off the United Arab Emirates, which deterred nothing.

So I think innovation and thought process and how do we use these assets we have, and selective modernization is the way to go. And that is a very cost-effective thought to do it that way.

Senator ROBB. Thank you, General.

I ran a little over on my first round, so I will yield back that amount of time on this one.

Senator MCCAIN. Not at all, Senator Robb.

I have no further questions if you want to ask any more.

Senator ROBB. Let me just ask one general question, then. And this is the most dangerous, because only the Air Force is not represented here.

Admiral TROST. We will speak for them. [Laughter.]

Senator MCCAIN. May I interrupt for just one second, and then I will let you finish?

Senator ROBB. Please.

Senator McCAIN. I want to thank the witnesses. I have to run back on the floor. I would like to also thank Carl Smith, our dear friend, for all the work that he did in making this report possible.

I believe that your work has been very beneficial to this committee and I hope the entire Congress. I appreciate the effort that was put in by all four of the participants. I am very grateful for it. I look forward to receiving your guidance and counsel in the months and years ahead, and I am very appreciate.

So, if you do not mind, I will go ahead while you finish up.

Senator ROBB. Mr. Chairman, with that, I will not ask the question. I was going to try to get into some sort of a comparison between the particular force favorites, if you will, if you have to trade off between ERINT and Aegis and the airborne laser, in terms of the battlefield technologies, as to which of the services prevail in that type of thing. But if we have come to an appropriate halt here, and without the Air Force here to defend themselves on their own terms, that might be a little bit unfair. We can take that up in another forum. I will defer at this point.

Knowing of the service that you have already rendered, and when you responded to his request for additional information you bring a credibility to the equation which helps all of us, I join him in thanking you.

[Whereupon, at 4:02 p.m., the hearing was adjourned.]



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